Message Text

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20

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 ACDA-05 CIAE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 MC-02 IO-11 EB-07 AID-05 SAB-01 SAM-01 /101 W

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R 080810Z JAN 76

FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC 5769

INFO AMEMBASSY ALGIERS

AMEMBASSY CAIRO

AMEMBASSY MOSCOW

AMEMBASSY SANA

AMEMBASSY TRIPOLI

USINT BAGHDAD

DIA WASHDC

CONFIDENTIAL DAMASCUS 88

KUWAIT FOR BAGHDAD ONLY

E.O. 11652: GDS

TAGS: PFOR, UR, SY

SUBJ: COSTS OF SOVIET WEAPONS SOLD TO SYRIA

REF: STATE 302818 (NOTAL)

- 1. EGYPTIAN EMBASSY SOURCE WHO PREVIOUSLY TOLD US THAT SOVIETS WERE ASKING 47 PERCENT INCREASE IN PRICE OF CERTAIN WEAPONS TO SYRIA (REFTEL) CONFIRMED TO EMBOFF JAN 6 THAT INFORMATION CAME FROM SYRIAN MILITARY SOURCE AND COULD BE CONSIDERED SOLID. EGYPTIAN'S UNDERSTANDING IS THAT PRICE INCREASE APPLIED TO "AIRCRAFT" AND THERE WERE TOHER, PROBABLY LESSER PRICE INCREASES APPLICABLE TO OTHER WEAPONRY.
- 2. REVIEWING RESULTS OF ASAD'S VISIT TO MOSCOW LAST OCTOBER, EGYPTIAN SAID THAT AGREEMENT IN PRINCIPLE CONFIDENTIAL

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ON NEW WEAPONS SUPPLIES HAD BEEN REACHED WHILE

ASAD WAS THERE AND THAT PROBLEMS SUCH AS PRICE AND DELIVERY SCHEDULE AROSE ONLY DURING IMPLEMENTATION DISCUSSIONS WITH MINDEF TLAS AFTER ASAD HAD DEPARTED. SYRIANS DID NOT ULTIMATELY GET ALL THEY WANTED, HE SAID.

- 3. SOURCE SAID THAT SYRIANS HAD OBTAINED FROM SOVIETS (BUT HE WAS NOT SURE WHEN) TEN YEAR MORITORIUM ON NON-MILITARY CREDIT REPAYMENTS AND SHORTER MORATORIUM ON MILITARY PAYMENTS. THIS WAS MAJOR FACTOR IN ARTIFICIALLY FAVORABLE SYRIAN ECONOMIC SITUATION, HE SAID.
- 4. SOURCE SAID THAT LIBYAN EMBASSY COUNSELOR HAD RECENTLY TOLD HIM THAT SOVIETS WERE ASKING 40 PERCENT INCREASE IN PRICE OF MILITARY EQUIPMENT FURNISHED TO LIBYA AND LOWER-THAN-MARKET VALUE FOR OIL WHICH LIBYA WOULD FURNISH SOVIET UNION IN PAYMENT.
- 5. SOURCE HAD NO ANSWERS TO OTHER QUESTIONS REFTEL. PELLETREAU

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Message Attributes

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To: STATE

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